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Tory Transport Racketeering

What the Bill means

PRACTICALLY the only electoral promise which the Tory party intends to carry out is to denationalise road transport.

The Bill to do this has now been issued and is being debated in the autumn.

This commentary proposes to discuss this Bill in the background of the problems of the transport industry.

What were the Transport problems which Nationalisation attempted to solve?

WE have pointed out in previous commentaries that the State capitalist type of nationalisation which the Labour Party carried out, was not concerned with dispossessing the capitalists and laying the foundations of a Socialist order of society.

It was designed to bring under State ownership industries which were natural monopolies and which if left in private hands or left unregulated by any form of State control might enable the capitalists in those industries to reap an unduly high rate of profit at the expense of the capitalist class as a whole.

Transport is clearly such an industry. It serves all other capitalist industries and if it uses its position to reap unduly high profits it will do so at the expense of the others. It will also hamper other industries if it sinks into inefficiency.

The introduction of motorized road transport (goods and passenger) raised new problems between the wars.

Road commercial transport was very favourably placed for competing with the railways—unfairly favourably placed the railway companies argued.

The railways were " common carriers," i.e. they had to take and transport at published rates whatever goods were offered them.

Privately owned road transport could pick and choose. It could take goods which were profitable to carry and refuse others. It was able to take the cream of the traffic leaving the skim for the railways.

It soon became clear that it was senseless from the point of view of general capitalist interests to allow the unlimited development of road transport.

It would have been impossible to permit anyone who wanted to run a bus to do so in the towns and cities of this country without this leading to intolerable traffic congestion. While the weak might ultimately go to the wall, this might take a long time.

If one allowed commercial road transport to develop, the number of vehicles

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put on the roads might be far in excess of those needed to move a given amount of goods and dearer transport would result.

So in 1933 a licensing system was introduced limiting the number of road passenger or commercial vehicles that could be put on the road.

There were three types of licence for commercial road transport.

A licences enabled a road transport operator to carry goods whenever and wherever he pleased.

B licences enabled a proprietor to carry his own goods and under certain conditions to supplement this by carrying other goods also.

The C licence—which was easiest to obtain—enabled an owner of a business to carry his own goods but prohibited him from carrying other peoples goods for profit.

These measures put a limit on the creation of new capacity on the roads but they did not help to co-ordinate road and rail traffic and give each type of transport the job it was best able to perform.

It was widely recognised in capitalist and government circles that if they wanted a rationalised transport service some form of " co-ordination," under the auspices of the State, was absolutely necessary.

The Labour Government decided that to effect such co-ordination State ownership of the railways, long distance road commercial transport and road passenger transport was necessary and this was the basis of the Transport Act of 1947, sections of which the Tories are now trying to repeal.

What were the defects of the Transport Act of 1947 ?

IT had the common defect of all other nationalisation Bills—excessive compensation to the shareholders and therefore the burdening of the nationalisation industry. An annual interest of £35,543,310 per year is paid to holders of British Transport stock—who are mainly the old shareholders. Other miscellaneous interest payments bring the total up to £44,828,713 per annum.

The Labour Government had no clear idea of what to do with the industries when they were taken over.

It had no technical plan for the co-ordination of the various sections of transport and the type of organisation which it set up made such co-ordination difficult.

To carry out its own objective it needed a form of organisation, which at a national, regional and local level would treat transport as a whole and ensure the closest co-operation between one type of transport and another.

In fact, it set up under the British Transport Commission the Rail Executive, the Road Transport Executive, the Docks and Inland Waterways Executive, the London Transport Executive and the Hotels Executive, all managing different aspects of transport.

The danger of the Rail Executive and the Road Executive pursuing sectional aims and failing to co-ordinate was really great.

The regional organisation of the Executives made co-ordination difficult. The railway executive had six regions and road transport had twelve.

There was an excessive concentration of regional executives of the railways in London. Four were located in London, one in York and one in Scotland.

There is thus in fact a top heavy centralised, bureaucratic structure at the top—a fact that the Tories are now seeking to exploit.

Further, the State took over only those road transport firms operating over a 40-mile radius. These and the road firms owned previously by the railways covered only one-tenth of the vehicles engaged on road transport.

Other A and B licences were free to operate within a 25-mile radius. All C licences were able to operate up to 25 miles and could receive permission to operate up to 40 miles.

Big loopholes were thus left for private enterprise in road transport to operate.

There was an overall increase in the number of C licences from 590,516 in December 1948 to 808,868 in March 1952. Of these there were 133,348 of 3-ton carrying capacity or over 70,178 of 5-ton carrying capacity.

Some of this would have taken place nationalisation or no nationalisation. Most of it, however, represented political spite against nationalisation.

This meant taking traffic away from the State road transport and from the railways and creating a vast waste in the transport industry, for C licence vehicles were often empty on their return journeys.

The State road transport had to seek new customers and struggle to turn a trading deficit into a profit as it has done.

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What do the Tories propose?

THE Tory Government plans are based on the election promise to hand back the nationalised road transport to private operators and on nothing more.

They do not pretend that from the point of view of capitalism as a whole, let alone from the point of view of the majority of the people, that they have **a better plan** than that of the Transport Commission with all its defects.

In the explanatory memorandum of the Government issued with the Bill it is simply stated that :

" The main purpose of the Bill is to provide for the disposal of the British Transport Commission's road haulage property, to provide a levy on certain goods vehicles and tractors used on roads and to provide for the reorganisation of British railways."

The Government proposes to set up a Road Haulage Disposal Board to sell the State road transport back to private operators.

The Disposal Board will be appointed by the Minister of Transport. It will consist of a chairman and deputy chairman. The other four will be appointed as follows :

One member shall be appointed from among persons nominated by the Transport Commission.

One member shall be appointed after consultation with bodies " representative of trade and industry."

One shall be appointed after consultation with bodies representing holders of A and B licences.

One shall be appointed after consulting bodies representing holders of C licences.

It should be noted that this body which is supposed to dispose of State property on the best possible terms is to contain a member suggested by the very private interests (A and B licence holders) to whom the property is being sold.

C licence holders, who are also bitterly opposed to State road transport, will also be represented.

It is therefore little wonder that the Government expects to sell this State property at a loss, which is estimated at £33 million.

What excuse do the Tories offer for these proposals?

WHEN these proposals were first made by the Tories in 1949 nationalised road transport was incurring a trading deficit. It was therefore possible to argue that it would be useful to dispose of this branch of transport in order to avoid a series of heavy losses.

Since that period, however, the trading deficit has given way to a trading profit and there is no reason why it will not continue to do so.

The Tories are therefore proposing to break up a going concern and sell its assets at a loss.

In order to recoup that loss they propose to put a levy on most types of road vehicles exempting only local delivery vans. This will be paid into a Transport Fund.

It should be noted that this levy is payable not only by operators who have bought the State lorries at a knock-down price, but also by those who have not. All operators will, of course, seek to pass this levy on to the public in increased charges.

So what happens is that the Government pursues a policy which means a loss for the railways and the British Transport Commission.

It then imposes a levy on road transport operators, which the public will have to pay. In other words, the public is to have dearer transport in order to make good losses, which are the product of the gangster policy of the Government and but for this need not be made at all.

The only beneficiaries are the capitalists who will buy the lorries of the British Transport Commission dirt cheap.

The attempts to co-ordinate rail and road transport will be abandoned. The roads will be cluttered with vehicles far in excess of what is necessary and for this the people will have to pay.

It is no wonder that even in the capitalist press this policy has met with a hostile reception.

What do the Tories propose to do about Passenger Transport ?

THE British Transport Commission was proposing to draw up area transport schemes for the co-ordination of bus and tram services over a wide area. At the present time these operate their own sweet way. There is little co-ordination of times and there is a vast amount of waste.

The Transport Commission has taken over a number of long distance services and was proceeding to do the same with local services.

The Tory Government's Bill, if passed, would stop all this.

Power to draw up area schemes has to be taken away from the Commission.

Further, the Commission is to lose power to acquire road transport undertakings in the future and the Minister of Transport will supervise its policy in relation to those companies in which it already has an interest.

State-owned bus services in Scotland and other areas will be sold back to private owners.

All this is designed to render impossible the rational organisation of Transport throughout the country.

What could be done in Transport ?

THE interest now payable on British Transport Stock and other miscellaneous interest obligations **could be** transferred to the national debt, and be met out of tax revenue. The amount of interest for 1951 was £44,828,713.

This would enable the Transport Commission to raise wages and improve services to the public.

Nationalised commercial road transport should be extended.

The question of C licences should be reviewed. There is a case for allowing local tradesmen to deliver goods— bread, groceries and milk—to the houses in their area. There is no case for allowing manufacturing firms to own transport to handle goods which might as easily be delivered by the State Services.

All holders of C licences outside those engaged in house to house delivery should be required to prove that no alternative means of delivery exists before being given licences.

The Transport Commission should be given power to proceed with further nationalisation, without excessive compensation.

It should be asked to speed up the co-ordination of the road and rail services which it has begun. In particular the policy of separate road and rail executives should be reviewed and also the regional structure.

Workers participation should become a fact and not a pious aspiration.

Direct representatives of the transport workers, retaining their membership of the unions, should be on the Commission and on all regional bodies.

All these representatives should be subject to recall by the Union if their work is not satisfactory, thus ensuring that they do not become mere place-holders out of touch with the men on the job.

The unions must be consulted while schemes of reorganisation are being drawn up and **before** any major technical changes are made.

The Tories are exploiting the weaknesses of defects of the present scheme to break up the policy of a unified transport system and to return to a policy of profiteering and racketeering in the industry.

In opposing the Tory Bill it is equally necessary to insist on a root and branch reorganisation of transport.

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